

Economic responsibility

For Svenska Spel, economic responsibility entails always integrating the Company's responsibility in its commercial ventures. The ambition to be the customer's first choice will ensure the company's long-term profitability.

Svenska Spel strives to give its customers a sustainable experience. This means that the Company offers games that customer's demand, while at the same time integrating responsible gaming into its commercial operations.

Corporate responsibility will be an increasingly significant factor in the future when customers select companies for their gaming. As a result, responsible gaming is a key feature of Svenska Spel's efforts to be the customer's first choice. Svenska Spel will continue to strengthen its brand by communicating these efforts in all areas of responsibility.

Svenska Spel is not required to maximise profit, thereby offering good potential to invest resources in responsible gaming while striving to attain a healthy gaming market. With a focus on customers' perspective, offering attractive games, is essential for the long-term work on the Swedish gaming market.

Strategies

In 2011, Svenska Spel focused and prioritised work based on a number of strategies. Within the framework of the strategies, these efforts clarify how commercial operations and social responsibility are integrated. Read more about Svenska Spel's strategies on page 16.

There is a trend in the Swedish gaming market towards fewer players playing for higher sums, a fact that Svenska Spel would like to reverse. The Company's development shall

be based on healthy gaming patterns and a sound gaming market. This means that success is based on a broad customer base – more people playing for moderate amounts.

Economic risks and possibilities

Svenska Spel works proactively in assessing risks that affect the underlying conditions to compete and work long-term on the Swedish gaming market.

A challenge for Svenska Spel is the ever-increasing advertising spend by foreign-based Internet companies. Svenska Spel's share of the gaming advertising declined from 46% in 2004 to 22% during 2011. This is despite the fact that the Lotteries Act does not permit foreign-based gaming companies to advertise in Swedish media. Svenska Spel needs new licences in order to compete on the same conditions and offer the new, fast games demanded by the customers.

Social contribution

Svenska Spel also makes economical contributions to purposes connected with the Company's core business operations.

Sponsorship

Svenska Spel has a long relationship with Swedish sports that extends all the way back to 1934. The purpose of this sponsorship is to strengthen Swedish sports today and tomorrow. The partnership with sports is a fruitful affair for both parties: it strengthens Svenska Spel's corporate brand





STAKEHOLDER: BOARD MEMBER

“Svenska Spel should serve as a model”

As a new member of Svenska Spel’s Board, Michael Thorén participates actively in Board activities. He thinks that the Company works well in dealing with the trade-off between responsibility and profit.

How important is it that Svenska Spel works with responsibility issues?

“It is very important that Svenska Spel deals with this issue.

An explicit aim of State-owned companies is to serve as a model in terms of sustainability and responsibility. It is also very important for the corporate brand. As a gaming company, the issue of social and ethical responsibility is decisive if the Company is to continue to be a credible alternative to unregulated gaming companies.”

How do you think Svenska Spel manages the balance between responsibility and profit?

“This is a difficult trade-off and one that easily shifts in favour of one or the other, but I think that Svenska Spel manages it well. You must remember that Svenska Spel is a company that competes with other actors on the market. It is crucial that Svenska Spel is offered the possibility to compete under the same conditions as the competitors. As administrator, we want the Company to generate value, it is important.”

What would you like to see more or less of in the future?

“I think the Company should serve as a raw model in everything it does – including sustainability and responsible gaming, but also regarding cost-efficiency and a business-like approach. The new CEO, Lennart Käll, has an important job ahead of him.”

Read more about our stakeholder dialogues on page 101.

and is an object for pride within the organisation. The social welfare that Svenska Spel generates through its sponsoring is in line with the expectations of the stakeholders.

Sponsorship covers the Swedish Sports confederation, football, ice hockey, handball, floor ball and bandy. Support is provided both at the elite and national levels, as well as to youth sports programmes.

Thanks to its sponsorship, Svenska Spel ensures that an increasing number of children and youths can try their hand at sports, while it also creates better conditions for a competitive elite.

Svenska Spel also works with values in sports and participates in the programme aimed at stopping violence in the arenas.

58% of the population think that Svenska Spel is a key partner for Swedish sports.

Swedish Brain Foundation

Since 2008, Svenska Spel has cooperated with the Swedish Brain Foundation. Over a period of five years, through 2012, the Company pays a total of SEK 25 million to finance important research in the area of gambling addiction.

Economic value generated, according to med GRI¹

SEK million	2011	2010
a) Revenue	7,977	7,897
b) Operating expenses	-1,673	-1,750
c) Remuneration of employees	-1,011	-989
d) Payments to financiers ²	—	—
e) Payments to the State ²	-4,766	-4,979
f) Social investments ³	-9	-5
Remaining in the Company	518	174

1. Indicator protocol EC1. Income statement according to IFRS on page 62.

2. Svenska Spel is owned by the Swedish State and the Group's funds available or dividend payments is disposed of in the manner prescribed by the Government.

3. 2011 comprises the Swedish Brain Foundation and the Swedish Gaming Institute. 2010 only the Swedish Brain Foundation.

Research council

Svenska Spel has established a research council in an effort to increase insight into preventive programmes against gambling problems. In spring 2011, and for the first time, Svenska Spel's research council provided funds for research on gaming and prevention of gaming problems. Three students were granted funds for their education and research projects on youth gaming habits, supportive actions for relatives to problem players, and genetics. In the autumn, the research council arranged a meeting for researchers and employees at Svenska Spel to discuss the current research situation.

Self-help manual and Help Line

During 2011, Svenska Spel continued to provide financial assistance in the amount of SEK 3.8 million to the Help Line and Self-Help programme, two projects that help people with gaming problems, and which are run by the Spelinstitutet (a responsible gaming organisation). Both projects were scheduled for termination back in 2009 due to the lack of official decisions regarding financing, but support from Svenska Spel ensured that the programmes could continue in 2010 and 2011.

Activities and results, 2011

- A preliminary study was made to estimate Svenska Spel's social results.
- The research council granted funds to three students.
- The research council arranged a seminar for researchers and Svenska Spel's employees.
- Svenska Spel signed an agreement with Swedish ice hockey, which extends over 4+3 years and covers both elite players and a broad range of ice hockey clubs.

Focus 2012

- Additional funds to be granted by the research council.
- Model for the estimation of Svenska Spel's net social result.
- Research council follow-up of ongoing projects. ■